

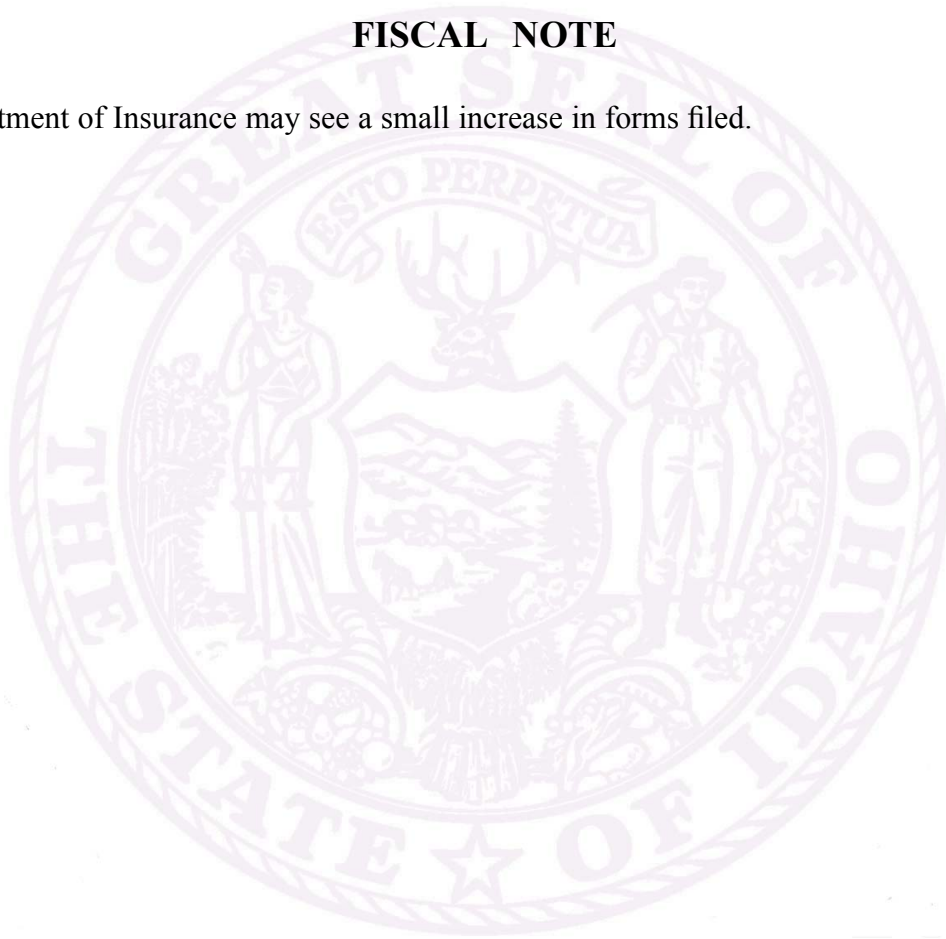
STATEMENT OF PURPOSE

RS21421C1

This legislation allows for supplemental information to be attached to an insurance binder and it specifies that binders are not valid beyond issuance of the policy or endorsement or the policy's expiration. Further it ensures that certificates of insurance will be used for their intended purpose and helps prevent their misuse in the marketplace. The proposal has been narrowly crafted to avoid unintended consequences. The legislation relates only to certificates of insurance and does not change the law concerning insurance policies, and it does not alter or impair the rights that any person or additional interest has under an insurance policy.

FISCAL NOTE

The Department of Insurance may see a small increase in forms filed.



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